

## Message Text

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44

ACTION AF-06

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P R 111728Z MAR 75

FM AMEMBASSY BONN

TO SECSTATE WASHDC PRIORITY 8610

INFO AMEMBASSY NAIROBI

AMEMBASSY LONDON

CONFIDENTIAL BONN 04018

E.O. 11652: N/A

TAGS: PFOR, UG

SUBJECT: US-UGANDAN RELATIONS AND ENGEL CLAIM

THE FRG FONO OFF HAS PASSED US THE FOLLOWING REPORT FROM ITS EMBASSY IN KAMPALA. THE REPORT NOTES THAT AMIN HAS AGREED TO PAY COMPENSATION FOR THE EXPROPRIATION OF INTERNATIONAL TELEVISION SALES LTD., AND CONTAINS A RATIONALE PUT FORTH BY THE GERMAN AMBASSADOR IN SUPPORT OF THE RE-ESTABLISHMENT OF AN OFFICIAL AMERICAN PRESENCE IN KAMPALA. BEGIN TEXT:

1. ON MARCH 6, 1975 PRESIDENT AMIN CALLED ME TO HIS OFFICE AND ASKED ME TO CONVEY THE FOLLOWING MESSAGE TO THE USG: THE MINISTER OF FINANCE HAS INVESTIGATED THE COMPENSATION CLAIMS OF US CITIZEN HARRY ENGEL, LIVING IN KAILUA, HAWAII AND HIS WIFE, WHO IS AN ICELANDIC CITIZEN, FOR THE EXPROPRIATION OF QUOTE INTERNATIONAL TELEVISION SALES LTD. UNQUOTE, AN AMERICAN COMPANY WHICH WAS ALSO REGISTERED IN UGANDA AND EXPROPRIATED IN 1972. THE MINISTER OF FINANCE AND THE QUOTE EVALUATION COMMITTEE UNQUOTE HAS FOUND THE CLAIMS TO BE JUSTIFIED AND THAT COMPENSATION IS TO BE PAID TO CHARTERED ACCOUNTANTS PEAT, MARWICK, MITCHELL AND CO. IN ACCORDANCE WITH A LETTER FROM THE ACCOUNTANTS TO THE UGANDAN MINISTER OF CONFIDENTIAL

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FINANCE DATED DECEMBER 29, 1972. PAYMENT OF THE COMPEN-

SATION WILL BE EFFECTED IMMEDIATELY.

2. PRESIDENT AMIN THEN EXPRESSED HIS HOPE THAT THE SOLVING OF THIS CASE WOULD HELP TO NORMALIZE US-UGANDAN RELATIONS. HE EMPHASIZED THAT HE WAS INTERESTED IN FRIENDLY RELATIONS WITH ALL COUNTRIES REGARDLESS OF THEIR POLITICAL OR ECONOMIC SYSTEMS.

3. THE MEETING WAS ATTENDED BY THE UGANDAN MINISTERS OF COMMERCE (ATHIO), FINANCE (OBOTH-OFUMBI), PLANNING (KABANDA), INDUSTRY (LUMAGO), PUBLIC SERVICE AND CABINET AFFAIRS (SHEKANABO), JUSTICE (LULE), AND FINANCE (KLINGI).

4. IT IS ASSUMED THAT THE DECISION TO COMPENSATE MR. ENGEL IS RELATED TO THE TALKS WHICH WERE HELD EARLIER THIS WEEK IN THE STATE DEPARTMENT WITH UGANDAN MINISTERS RAMATHAN AND JUMA ORIS, AND IS MEANT TO HAVE POSITIVE BEARING ON THE STATE DEPARTMENT'S DECISION WHETHER OR NOT TO REOPEN ITS EMBASSY IN KAMPALA.

5. THIS EMBASSY IS OF THE OPINION THAT AMIN'S NEW ACTION OF GOOD WILL SHOULD BE REGARDED AS AN HONEST ATTEMPT TO NORMALIZE UGANDA'S RELATIONS WITH THE UNITED STATES, AND BE UNDERSTOOD AS A SIGNAL THAT AMIN IS CONSIDERING A CHANGE IN POLICY AWAY FROM A RELIANCE ON THE SOVIETS TOWARDS BETTER RELATIONS WITH WESTERN COUNTRIES. WE SUGGEST THAT THE DEPARTMENT TAKE THE FOLLOWING POINTS INTO CONSIDERATION:

A. THAT IF AMIN'S ATTEMPTS TO NORMALIZE RELATIONS WITH AMERICA ARE REJECTED MUCH LONGER, HE MIGHT TURN AGAINST ALL WESTERN COUNTRIES STILL REPRESENTED IN UGANDA.

B. THAT ALL MISSIONS FROM THE WEST AND COUNTRIES FROM THE THIRD WORLD SUPPORT THE RETURN OF THE AMERICANS WITH THE EXCEPTION OF THE BRITISH HIGH COMMISSION.

C. THAT THE PROBLEMS OF THE BRITISH (COMPENSATION FOR EXPELLED ASIANS OF BRITISH NATIONALITY) ARE NOT HELPED OR SOLVED BY KEEPING THE US EMBASSY CLOSED.

D. THAT NOT ALL REPORTS ON AMIN AND UGANDA ORIGINATING IN NAIROBI OR APPEARING IN THE BRITISH PRESS ARE FOUNDED, BUT ARE OFTEN BASED ON RUMORS AND PROPAGANDA.

E. THAT AMIN, BY MEANS OF THE OAU SUMMIT CONFERENCE

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ENCE TAKING PLACE IN KAMPALA THIS COMING JULY, IS GAINING CONSIDERABLE RECOGNITION FROM OTHER AFRICAN COUNTRIES.

F. THAT AT THE OAU CONFERENCE AMIN WILL BECOME CHAIRMAN OF THE OAU AND, THEREBY, ITS OFFICIAL SPOKESMAN FOR ONE YEAR.

G. THAT THE REOPENING OF THE US EMBASSY AFTER THE OAU CONFERENCE--IF THAT IS BEING CONSIDERED--MIGHT NOT HAVE THE SAME EFFECT AS ITS REOPENING BEFORE THE

CONFERENCE.

H. THAT THE GROWING UNREST IN KENYA MIGHT MAKE  
IT ADVISABLE TO BE REPRESENTED IN ALL COUNTRIES BORDERING  
ON KENYA. END TEXT.  
HILLENBRAND

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